

Old Age, Disability, Death

First laws: 1927 (old-age assistance), 1937 (blind assistance), and 1955 (disability assistance).

Current laws: 1951 (universal pension), 1965 (earnings-related pension), and 1966 (income-tested supplements).

Type of program: Dual universal pension and social insurance system.

Exchange rate: U.S.\$1.00 equals 1.38 Canadian dollars (C\$).

Coverage

Universal pension: All residents, but subject to recovery for high income earners.

Earnings-related pension: Employees and self-employed persons (unless earnings below C\$3,400 a year, as adjusted to industrial wage index).

Exclusions: Casual employment, brief agricultural employment. Provinces may contract-out all employment within their borders from social insurance program, if they establish comparable programs.

Quebec pension plan similar to Federal plan; benefits portable between the two plans.

Source of Funds

Insured person: Universal pension, none. Earnings-related pension, 2.7% (employees) or 5.4% (self-employed) of earnings.

Employer: Universal pension, none. Earnings-related pension, 2.7% of payroll.

Government: Universal pension, whole cost. Also whole cost of income-tested benefits.

Minimum earnings for benefit and contribution purposes: C\$3,400 a year.

Maximum: C\$34,900 a year. (Earnings limit adjusted based on increase in the average industrial wage. Contributions not payable on first 10% of ceiling, reduced to nearest C\$100).

Qualifying Conditions

Old-age pension: Universal pension: Age 65 and 10 years residence in Canada. Earned at rate of 1/40th of maximum pension for each year of residence in Canada after age 18, up to maximum of 40 years. Benefits are subject to recovery from high income earners. Retirement not necessary. Payable abroad if beneficiary resided in Canada for 20 years or more after age 18.

Earnings-related pension: Age 65 (60-64 with 0.5% reduction per month; partial or complete cessation of work required). Must have made at least 1 year of contribution.

Disability pension: No universal pension.

Earnings-related pension: Under age 60, severe and prolonged incapacity for substantial gainful activity; age 60-64, inability to perform usual employment.

Contributions in 2 of the last 3 years; 5 of the last 10 years; or 1/2 the contribution years (at least 3) immediately preceding incapacity, whichever is more favorable. Maximum: C\$854.74.

Survivor pension: No universal pension.

Earnings-related pension: Contributions during the lesser of 10 years or 1/2 of the years in which contributions could have been made (but not less than 3 years). All pensions payable abroad.

Old-Age Benefits

Old-age pension: Universal pension, C\$381.60 a month.

Income-tested supplement, amount raising pension to maximum of C\$835.09 for single person, C\$1,353.98 for couple, in combination with universal pension.

Earnings-related pension (in addition to above), 25% of average covered earnings. A maximum of 15% of low-income years may be disregarded, plus years in which the worker was caring for a child under age 7. Increment of 0.5% of pension per month of deferral until age 70. Maximum pension: C\$713.19 a month.

Pension credits accumulated by both spouses may be divided equally if marriage ends after 1 or more years.

Recorded earnings revalued for changes in national average wages.

Income-tested pension for old-age pensioner's spouse age 60-64.

Maximum: C\$676.97 a month.

(Assistance available under federal-provincial program for needy aged persons not eligible for regular benefits. 6 provinces and 2 territories have guaranteed income plans to assist low-income pensioners.)

Adjustment: Automatic adjustment for changes in consumer price index, quarterly for universal pension and annually for earnings-related pension.

Permanent Disability Benefits

Disability pension: No universal pension.

Earnings-related pension: C\$318.26 a month, plus 75% of retirement pension. Recorded earnings revalued for changes in national average wages.

Maximum pension: C\$853.15 a month.

Child's supplement: C\$161.27 a month (C\$50.95 in Quebec) for each child below age 18, age 25 if student.

(Assistance available under federal-provincial program for needy disabled persons not eligible for regular benefits.)

Adjustment: Automatic annual adjustment of all benefits for changes in consumer price index.

Survivor Benefits

Survivor pension: No universal pension. (Survivor age 65 or over receives universal old-age pension and, if age 60-64, income-tested supplement in own right, regardless of when spouse dies.)

Earnings-related pension: 60% of retirement pension, computed as if the deceased had reached age 65, payable to widow or widower if age 65 or over, up to maximum C\$427.91 a month (same in Quebec). If under age 45 and neither disabled nor caring for a child, C\$81.52; under age 45, not disabled but caring for child, C\$295.51; disabled, 318.26; aged 55-65, C\$399.59; (Quebec maximum: age 55-64, C\$399.85; age under 55, C\$312.33), plus 37.5% of retirement pension.

Maximum pension: C\$372.11 a month (Quebec: age 55-64, C\$667.04; Under age 55, C\$585.71).

Orphans: C\$161.27 a month for each orphan below age 18 (25 if student, no limit if disabled). (Quebec, C\$50.95 each for all children.)

Death benefit: 6 months' retirement pension.

Maximum benefit, lump sum equal to 10% of earnings ceiling (C\$3,490 as of January 1995).

Adjustment: Automatic annual adjustment of benefits for increases in price index.

(Assistance available under federal-provincial program for needy survivors not eligible for regular benefits.)

Administrative Organization

Department of Human Resources Development, administration of universal and earnings-related pensions and income-tested supplements, through district and local offices.

Department of National Revenue, collection of contributions for earnings-related pensions. Quebec Department of Revenue and Quebec Pension Board, administration of earnings-related pension program in Quebec.

Sickness and Maternity

National laws: Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977; Canada Health Act, 1984.

Enabling laws in all 10 provinces and 2 territories conform to federal standards.

Provision for provincial administering authorities to pay providers for virtually all costs of medically required hospital and physicians' services.

Type of program: Dual compulsory insurance (cash benefits) and universal (medical care) systems.

Coverage

All residents satisfying federal and provincial criteria for eligibility and insured status. (Virtually entire eligible population covered.)

Coverage portable from province to province, and for emergency care anywhere in the world. In the latter case, payment is limited to the rate payable in the person's home province.

Special provisions for certain groups, including members of the Armed Forces and other special groups.

Source of Funds

Insured person: Flat amount in Alberta and British Columbia. None in other provinces.

Employer: Varies by province (1.5%-3.75%) in Newfoundland, Quebec, Ontario and Manitoba. Optional amounts elsewhere determined by union contracts.

Government: Bulk of costs met from provincial general revenues. Federal government makes contributions to provinces through block grants, part of which are conditional on provinces meeting federal program requirements as set out in the Canada Health Act.

Qualifying Conditions

Hospitalization and medical benefits: Generally, 3 months' residence in province required to be insured when moving from another province which continues coverage during this waiting period. In Alberta and British Columbia, payment of premiums is an additional condition, but such payment can not be linked to entitlement to service.

Cash sickness and maternity benefits: Paid under unemployment insurance (see below).

Sickness and Maternity Benefits

Sickness and maternity benefits: See unemployment benefit below.

Workers' Medical Benefits

Hospital and medical benefits: Paid directly by provincial authorities according to predetermined formulas and agreed fee schedules. Hospital benefits include standard ward care, necessary nursing, pharmaceuticals, and diagnostic and therapeutic services. Medical benefits include general medical and maternity care; surgical, specialist, and laboratory services.

Other benefits include oral surgery if required and performed in an approved hospital and, in some provinces, services of osteopaths, chiropractors, optometrists, dental care for children, prosthetics and prescribed drugs, etc. Some cost sharing may be required in such cases.

Welfare recipients and persons over age 65 eligible for free drugs and, in some provinces, for eyeglasses, subsidized nursing-home care, and dental care.

Dependents' Medical Benefits

Medical benefits for dependents: Same as for family head.

Administrative Organization

Department of National Health and Welfare administers national programs, monitors provincial compliance with conditions of national legislation and provides provinces with technical, consultative, and coordinating services.

Provincial authorities administer their health insurance plans, establish resident eligibility status, assess hospital and medical claims, pay providers, and monitor all aspects of programs.

Providers are usually autonomous general and emergency hospitals, other specialized institutions, and doctors and allied practitioners in entrepreneurial practice.

Work Injury

First and current Provincial laws:

Alberta, 1918 and 1992.

British Columbia, 1916 and 1990.

Manitoba, 1916 and 1991.

New Brunswick, 1918 and 1990.

Newfoundland, 1908 and 1993.

Northwest Territories, 1989.

Nova Scotia, 1915 and 1992.

Ontario, 1914 and 1990.

Prince Edward Island, 1949 and 1988.

Quebec, 1908 and 1992.

Saskatchewan, 1911 and 1991.

Yukon Territory, 1993.

Type of program: Compulsory insurance with public carrier (Provincial programs).

Coverage

Employees in industry and commerce (some differences among provinces). Common exclusions: Domestic workers, professional athletes, and sports clubs.

Special systems for merchant seamen and Federal civil servants.

Source of Funds

Insured person: None.

Employer: Whole cost, through contributions varying by industry according to risk (large firms in some provinces may self-insure).

Government: None.

Maximum earnings for benefit purposes: C\$27,000-C\$52,500 a year, according to province.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: 90% of net earnings in six provinces (75% of gross earnings in British Columbia, Nova Scotia, Prince Edward Island, and Yukon Territory; Newfoundland and New Brunswick have a two-tiered system with benefit rates starting at 75%-80% of net earnings and rising to as much as 80%-85% of net earnings).

Minimum, C\$0-C\$317.77 a week, according to province. Payable from day after onset of disability for duration of disability in most provinces (3-day waiting period in Nova Scotia).

Permanent Disability Benefits

Permanent disability pension: Varies, according to temporary benefit. Maximum, C\$1,687.50-C\$3,162.50 a month, according to province, with lump sums payable in some provinces (maximum of C\$93,730 in Manitoba). In most provinces the pension is either 75% or 90% of the worker's earnings.

Partial disability: Proportion of full pension corresponding to impairment of earning capacity (converted to lump sum if impairment 10% or less in some cases).

Workers' Medical Benefits

Medical benefits: Medical, surgical, nursing, and hospital services, medicines, and appliances, in all provinces.

Survivor Benefits

Survivor pension: C\$550-C\$3,153.84 a month, plus lump sum of C\$500-C\$139,500, according to province (in British Columbia, Alberta, New Brunswick, Saskatchewan, Manitoba, Ontario, Newfoundland, and Quebec, pension is percentage, either 75% or 90%, of deceased worker's earnings). Payable to widow or widower. Orphans: Either monthly flat-rate pensions slightly higher than for children residing with a parent, or a percentage of the deceased's wages, according to province. Other dependents (if no spouse or orphan): Reasonable sum proportionate to pecuniary loss. Funeral grant: C\$900-C\$6,000, according to province.

Administrative Organization

Workers' Compensation Board in each province (Commission in Quebec and Newfoundland), fixing and collection of assessments, management of accident fund, award and payment of benefits, rehabilitation and adaptive services.

Unemployment

First law: 1940 (1935 law declared unconstitutional).

Current law: 1971 (last amended 1993).

Type of program: Social insurance system.

Coverage

All wage and salary earners, including federal government employees; also, self-employed fishermen. Voluntary coverage for provincial government employees with consent of provincial government. Exclusions: All other self-employed persons, and workers earning less than C\$163 a week and working less than 15 hours a week for the same employer; casual workers.

Source of Funds

Insured person: 3% of insured earnings.

Employer: 1.4 times insured person's rate.

Government: None.

Maximum insured earnings: C\$815 a week in 1995; minimum, C\$163 (20% of maximum) or less if employed 15 hours a week for same employer.

Qualifying Conditions

Unemployment benefit: Varies, depending on unemployment rate of region, from 10-20 weeks in covered employment during last year. Employment minimum: 15 hours a week. Registered, able, willing, and available to work; unable to obtain suitable employment, or unable to work because of sickness, maternity, or providing parental care. If unemployment due to voluntary leaving without just cause or due to misconduct the disqualification is indefinite, and applies until worker requalifies for the benefit. In the event of refusal of suitable offer employment, or failure to undergo training, disqualification from 7 to 12 weeks and a reduction of benefits to 50% of insured wages; if unemployment due to labor dispute, imprisonment, or residence outside Canada, disqualification for as long as condition exists.

Unemployment Benefits

Unemployment benefit: 55% of previous average insured earnings. Maximum, C\$448 a week. Payable after 2-week waiting period for up to 50 weeks depending on claimant's employment history and regional unemployment rates; payable up to 15 weeks for loss of earnings due to sickness or maternity, or 10 weeks for parental care.

Administrative Organization

Federal Minister of Employment and Immigration, general supervision.

Canada Employment and Immigration Commission, with tripartite membership, administration of program through its regional and local offices.

Family Allowances

First and current laws: 1992 Federal Budget; replaces the previous system of benefits under the Family Allowance Act and the Income Tax Act.

Type of program: Refundable tax credit.

Coverage

All residents with 1 or more children.

Source of Funds

Insured person: None.

Employer: None.

Government: Whole cost.

Qualifying Conditions

Family allowances: Child must be under age 18. Benefits decline as family net income increases.

An earned-income supplement is available only to low-income families that are in the work force.

Child Tax Benefit

Child Tax Benefit: A basic benefit of C\$1,020 per year is payable for each qualified child, plus an additional C\$75 for the third and each additional child. The benefit is reduced at the rate of 5% of family net income in excess of C\$25,921 for families of 2 or more children, and at 2.5% for single child families.

An earned-income supplement provides additional support for low-income working parents. The supplement increases at a rate of 8% of annual earnings up to a maximum of C\$500; It is reduced at a rate of 10% of family income over C\$20,921.

Families not claiming a tax deduction for child care receive an additional C\$213 per year for each child under age 7.

Benefits are paid monthly based on total family income during previous years.

Administrative Organization

Department of Revenue, determines eligibility for Child Tax Benefits and administers the program.

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